



# Milwaukee Affordable Housing Definitions

A list of the most frequently used terms when speaking about affordable housing. These phrases and topics are used throughout the **Milwaukee Housing Affordability Strategy (MHAS)**, which was adopted by the Milwaukee City Council on July 17th, 2018.

## DEFINITIONS

**AFFORDABLE HOUSING:** As defined by the US Department of Housing and Urban Development (HUD), this is any housing that costs an owner or renter no more than 30 percent of gross household income, including utilities.

**AREA MEDIAN INCOME:** Calculated by HUD annually for different communities. By definition, 50 percent of households within the specified geographic area earn less than Area Median Income (AMI), and 50 percent earn more. AMI is adjusted based on household size and used to determine the eligibility of applicants for federally and locally funded housing programs.

- **Low-income:** Describes households earning at or below 80 percent AMI.
- **Very Low-income:** Describes households earning at or below 50 percent AMI.
- **Extremely low-income:** Describes households earning at or below 30 percent AMI.

**COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG):** Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs. The program provides annual grants on a formula basis to carry out a wide range of activities directed toward neighborhood revitalization, economic development, and improved community facilities and services for low and moderate-income people. **COMMUNITY LAND TRUSTS (CLTs)** Independent, nonprofit corporations that provide permanently affordable housing, both ownership and rental, and can take on a variety of tasks to advance that purpose. They often work within a specific geography, are governed by a board of directors, and supported by local governments through financial support or through property donations.

**CONSTRUCTION EXCISE TAX:** A tax collected on residential and commercial building projects that is used to help fund affordable housing programs; typically, a percentage of the permit value. Must be adopted and implemented at the local level.

**COST-BURDENED:** Describes households spending more than 30 percent of gross household income on monthly housing and utility expenses.

**DEVELOPMENT SUBSIDY:** A financial incentive provided to a housing developer for the construction, acquisition, or rehabilitation of housing, usually resulting in rents below market rate.

**ELDERLY OR SENIOR HOUSING:** Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older, or (2) at least 80 percent of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

**EVICTION:** The removal of a tenant from a rental unit due to a court order resulting from a landlord-initiated legal process.

**HOUSELESSNESS/HOMELESSNESS:** (1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who is exiting an institution where he or she resided for ninety days or less and who resided in an emergency shelter or a place not meant for human habitation immediately before entering that institution; (2) Individuals and families who will imminently lose their primary nighttime residence; (3) Unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; (*contd. over*)

**HOUSELESSNESS/HOMELESSNESS:** (*contd.*) (4) Individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

**HOUSING AND TRANSPORTATION INDEX:** Provides a comprehensive view of affordability that includes both the cost of housing and the cost of transportation at the neighborhood level.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY (HACC):** Provides affordable rental housing and housing assistance for residents of Clackamas County. HACC owns and manages nearly 625 rental units, is a tax partner for another 264 units, and administers 1,664 HUD (Section 8) vouchers.

**HOUSING CHOICE VOUCHER (SECTION 8):** The federal government's major program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe housing in the private market. Eligible households may not have income exceeding 50 percent of AMI. Participants are free to choose any housing that meets the requirements of the program (i.e., they are not limited to units located in subsidized housing projects).

**HUD:** US Department of Housing and Urban Development .

**INCLUSIONARY ZONING:** A policy that requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. Mandatory inclusionary zoning must be adopted and implemented at the local level, and jurisdictions are required to provide developer incentives to make projects financially feasible. As an alternative to mandatory inclusionary zoning, some jurisdictions provide incentives (e.g., density bonuses, zoning variances, or expedited permitting) to encourage developers to include affordable units in new developments.

**JUST CAUSE EVICTION:** A policy that lists allowed reasons for a landlord to terminate tenancy with or evict month-to-month tenants. Landlords must also state the reason in writing when serving a termination notice. Defined in ORS 90.392.

**LOW INCOME HOUSING TAX CREDIT:** Oregon Housing and Community Services allocates these credits to for-profit and nonprofit developers to build or rehabilitate low-income housing. Large corporations and financial institutions invest in the housing to gain tax credits and reduce their income tax obligations. Projects funded through this source must serve residents below 60 percent of AMI and must accept Section 8 vouchers.

**MARKET-RATE RENTAL HOUSING:** Privately-owned housing with rents determined by the owner or landlord.

**NO CAUSE EVICTION:** A termination of a rental agreement for any reason not listed as a cause for termination in the State of Oregon's Residential Landlord and Tenant Act. Per Milwaukie Municipal Code (MMC) Section 5.60, Milwaukie landlords must provide ninety days' notice prior to a no cause eviction.

**OREGON HOUSING DEVELOPMENT GRANT ("TRUST FUND"):** Aims to expand Oregon's housing supply for low and very low income families and individuals by providing funds for new construction or to acquire and/or rehabilitate existing structures.

**PUBLIC HOUSING:** A specific category of rental housing for low-income households that is owned and managed by a local Public Housing Agency.

**SUBSIDIZED HOUSING:** Housing in which a publicly financed incentive is provided in the form of a direct payment, fee waiver, or tax relief to the housing developer, property owner, or individual renter to create affordable units. Subsidized housing may be publicly or privately owned.

**SUPPORTIVE HOUSING:** evidence-based housing intervention that combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as people with disabilities.

**RENTAL ASSISTANCE:** A subsidy provided to a property owner or low-income household to make the cost of renting affordable. Assistance is issued by a public entity such as a city, county, or local housing authority.

**SINGLE ROOM OCCUPANCY UNITS (SROs):** The traditional SRO unit is a single room, usually less than 100 square feet, designed to accommodate one person. Amenities such as a bathroom, kitchen or common areas are located outside the unit and are shared with other residents.

**SOURCE OF INCOME:** Lawful, verifiable income paid directly to a tenant or to a representative of the tenant.

**TENANCY TERMINATION:** Occurs when a landlord ends a rental agreement and asks the tenant to vacate the rental unit.

**WORKFORCE HOUSING:** Housing that is affordable to households earning between 60 percent and 120 percent of AMI. These households do not qualify for rental assistance subsidies, but their incomes are generally too low for market-rate rents to be affordable.